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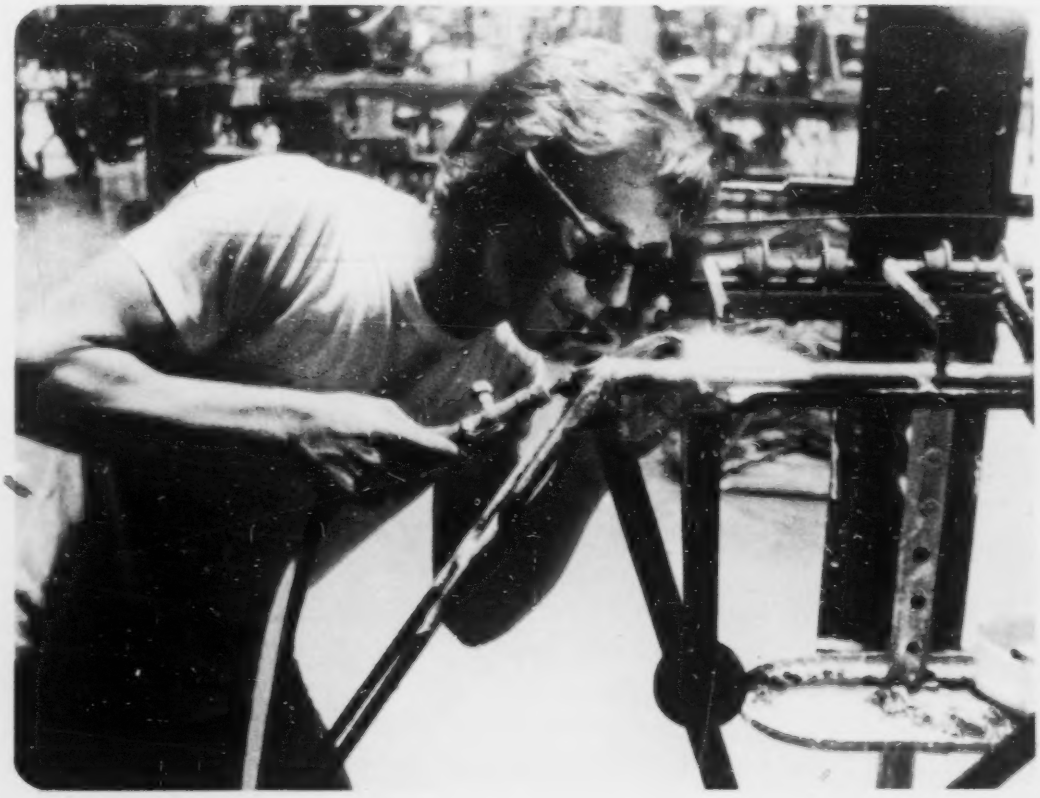
WISCONSIN ECONOMIC INDICATORS

JULY 1986



DILHR
DEPARTMENT OF
INDUSTRY, LABOR & HUMAN RELATIONS

WISCONSIN DATA AND SOURCES

	INDICATOR	SOURCE
L1	Composite Index of Leading Indicators	Wis.Dept. of Industry, Labor and Human Relations
L2	Average Work Week, Manufacturing	Wis. Dept. of Industry, Labor and Human Relations
L3	Average Overtime Hours, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
L4	Average Weekly Initial Claims	Wis. Dept. of Industry, Labor and Human Relations
L5	Total Job Openings Received	Wis. Dept. of Industry, Labor and Human Relations
L6	New Business Incorporations	Wisconsin Secretary of State
L7	Net Gain in Business Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
L8	Building Plans Examined	Wis. Dept. of Industry, Labor and Human Relations
C1	Help-Wanted Advertising Index (Milw.)	National Industrial Conference Board
C2	Total Unemployment Rate	Wis. Dept. of Industry, Labor and Human Relations
C3	Natural Gas Sales	Wisconsin Public Service Commission
C4	New Car Registrations	Wis. Department of Transportation
C5	Electric Power Sales	Wisconsin Public Service Commission
C6	Total Securities Registrations	Wisconsin Commissioner of Securities
C7	Manufacturing Employment	Wis. Dept. of Industry, Labor and Human Relations
C8	Average Weekly Earnings, Mfg.	Wis. Dept. of Industry, Labor and Human Relations
C9	Cash Receipts From Farm Marketing	U.S. Department of Agriculture
C10	Contract Construction Employment	Wis. Dept. of Industry, Labor and Human Relations
X1	Birth Registrations	Wis. Department of Health and Social Services
X2	Death Registgrations	Wis. Department of Health and Social Services
X3	Natural Net Gain in Population	Wis. Department of Health and Social Services
X4	Marriage Registrations	Wis. Department of Health and Social Services
X5	Consumer Price Index (Milwaukee)	U.S. Bureau of Labor Statistics
X6	Index of Prices Received By Farmers	Wisconsin Department of Agriculture
X7	Net Gain in Residential Phone Access Lines	Wis. Telephone Co. and General Telephone Co.
X8	Labor Disputes, No. of Workers	Wis. Dept. of Industry, Labor and Human Relations
X9	Unemployment Compensation Exhaustees	Wis. Dept. of Industgry, Labor and Human Relations

NOTES: Selected series are seasonally adjusted by the Bureau of the Census X-11 Variant of the Census Method II Seasonal Adjustment Program. The adjusted data are plotted on arithmetic scales.

SECTION A is a summary of recent data and current changes for all indicators and is presented in chart form. The indicators are presented with cyclical timing as the principle basis of classification.

SECTION B is a summary of Wisconsin Labor Force Estimates, including Employment, Unemployment and Unemployment Rates, and selected U.S. data.

SECTION C analyzes the Wisconsin labor force by industry and by specified Standard Metropolitan Statistical Areas.

SECTION D singles out certain economic time series as being leading or coinciding in relation to movements in aggregate economic activity. They are seasonally adjusted and presented graphically. The indicators are grouped by cyclical timing.

COVER PHOTO: Courtesy of Wisconsin Division of Tourism.

THE WISCONSIN ECONOMY

SUMMARY FOR JUNE

LEADING INDICATORS OF WISCONSIN'S ECONOMIC ACTIVITY WERE MIXED IN JUNE...SOME UP, SOME DOWN. A VERY LARGE GROWTH OF THE LABOR FORCE ABSORBED THE LARGE INCREASE IN EMPLOYMENT AND LEFT A SLIGHT INCREASE IN UNEMPLOYMENT.

LEADING INDICATORS

The average workweek in Wisconsin's manufacturing industries remained the same in June as one month earlier. Production workers spent 41.2 hours per week on the job. Usually, the workweek lengthens in June, but employers added more workers to their payroll this month rather than stretch out the workweek. Overtime did increase, but only slightly, and only at the normal, seasonally adjusted rate for June.

The average weekly initial claims for unemployment compensation increased, but at less than is normal for June. Thus, the claims trend is down. The average weekly claims level is close to 1,500 less than a year ago. Initial claims so far this year number well below comparable months of one year ago, and the initial claims should remain low until the usual October increase.

The number of job openings received by state Job Service offices increased by about one thousand from one month ago. That beats the normal May-to-June trend, but the month ago call for workers by employers was low to begin with.

New business incorporations in Wisconsin grew in June to 619. That's only a slight increase from May, but is a growth that is above par for June.

The net gain in business telephone access lines decreased to about half of the month earlier level. The business phone access count includes only primary lines rather than extensions, and is a net of installations minus removals. Thus, this is an indicator of the growth in business places. While June's net gain was down, the May number was unusually high.

The number of building plans examined decreased in June. Building plans for commercial and industrial facilities are examined by state officials for safety purposes. The plans are examined months before construction activity begins, thus, are a leading indicator of construction employment.

WISCONSIN LABOR FORCE

The number of employed workers increased in mid-June by nearly 42-thousand. June is a high-growth month for employment, but the amount of gain is usually around thirty-thousand. Of all major industries, manufacturing contributed most to the employment growth with over 11 thousand new job holders. Retail trade and the service industries each grew by between six and seven thousand employees.

The large employment growth was accompanied by a much larger than normal influx of workers into the labor force. In fact, the pool of unemployed workers actually grew instead of shrinking as would be expected with such a large employment gain. Youths seeking summer employment usually swell the June labor force, but that only partially accounts for this month's large increase.

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	% CHANGE Yr/Ago	AVG. 1985
LEADING INDICATORS								
L1 COMPOSITE INDEX OF LEADING INDICATORS								
Seasonally Adjusted	INDEX	83.0	Jun	90.9	83.0	-8.7	0.0	84.3
L2 AVG. WORK WEEK, MFG.								
Unadjusted	HOURS	41.2	Jun	41.2	41.3	0.0	-0.2	41.1
Seasonally Adjusted		41.1		41.3	41.2	-0.5	-0.2	
L3 AVG. OVERTIME HOURS, MFG.								
Unadjusted	HOURS	3.5	Jun	3.4	3.2	2.9	9.4	3.3
Seasonally Adjusted		3.6		3.6	3.3	0.0	9.1	
L4 AVG. WEEKLY INITIAL CLAIMS								
Unadjusted	NUMBER	6,671	Jun	6,606	7,883	1.0	-15.4	10,380
Seasonally Adjusted		8,008		8,590	9,464	-6.8	-15.4	
L5 TOTAL JOB OPENINGS REC.								
Unadjusted	NUMBER	7,776	Jun	6,768	8,251	14.9	-5.8	8,228
Seasonally Adjusted		7,233		6,081	7,678	18.9	-5.8	
L6 NEW BUSINESS INCORPORATIONS								
Unadjusted	NUMBER	619	Jun	598	592	3.5	4.6	542
Seasonally Adjusted		586		551	560	6.4	4.6	
L7 NET GAIN IN BUSINESS PHONES ACCESS LINES								
Unadjusted	NUMBER	1,043	Jun	2,162	2,558	-51.8	-59.2	1,356
Seasonally Adjusted		1,076		1,891	2,088	-43.1	-48.5	
L8 BUILDING PLANS EXAMINED								
Unadjusted	NUMBER	511	Jun	571	623	-10.5	-18.0	526
Seasonally Adjusted		414		516	505	-19.8	-18.1	
ROUGHLY COINCIDING INDICATORS								
C1 HELP-WANTED INDEX (MILW.)								
Seasonally Adjusted	INDEX	57	Jun	52	57	9.6	0.0	55
C2 UNEMPLOYMENT RATE, TOTAL								
Unadjusted	PERCENT	6.6	Jun	6.5	6.6	-	-	7.2
Seasonally Adjusted		7.0		6.8	7.0	-	-	
C3 NATURAL GAS SALES								
Unadjusted	MIL. THERMS	132.1	May	194.8	145.1	-32.2	-9.0	252.9
Seasonally Adjusted		193.1		191.7	212.2	0.7	-9.0	
C4 NEW CAR REGISTRATIONS								
Unadjusted	NUMBER	18,822	Jun	17,571	20,801	7.1	-9.5	16,697
Seasonally Adjusted		13,953		15,342	15,421	-9.1	-9.5	
C5 ELECTRIC POWER SALES								
Unadjusted	MIL. KWH	1912.5	May	1822.4	1883.0	4.9	1.6	1893.9
Seasonally Adjusted		1983.9		1930.5	1953.1	2.8	1.6	
C6 TOTAL SECURITIES REGISTRATIONS								
Unadjusted	MIL. DOL.	194.2	Jun	121.4	501.8	60.0	-61.3	131.3
Seasonally Adjusted		220.9		92.4	571.0	139.1	-61.3	

A WISCONSIN ECONOMIC INDICATORS

INDICATOR	UNIT	MONTHLY SERIES Latest Month		Mo/Ago	Yr/Ago	% CHANGE Mo/Ago	% CHANGE Yr/Ago	AVG. 1985
C7 MANUFACTURING EMPL.								
Unadjusted	THOUS	524.4	Jun	513.2	522.9	2.2	0.3	515.2
Seasonally Adjusted		519.2		517.9	517.8	0.3	0.3	
C8 AVG. WEEKLY EARNINGS, MFG.								
Unadjusted	DOLLARS	426.01	Jun	429.30	423.33	-0.8	0.6	421.57
Seasonally Adjusted		424.74		429.30	421.04	-1.1	0.9	
C9 CASH RECEIPTS FROM FARM MKTG.								
Unadjusted	MIL. DOL.	354.8	Apr	355.0	403.9	-0.1	-12.2	421.0
Seasonally Adjusted		371.9		364.5	423.3	2.0	-12.1	
C10 CONTRACT CONSTRUCTION EMPL.								
Unadjusted	THOUS	69.8	Jun	67.3	67.5	3.7	3.4	62.8
Seasonally Adjusted		63.8		66.1	61.7	-3.5	3.4	
OTHER KEY INDICATORS								
X1 BIRTH REGISTRATIONS								
Unadjusted	NUMBER	6,252	Jun	6,735	6,015	-7.2	3.9	6,141
Seasonally Adjusted		6,439		6,464	6,195	-0.4	3.9	
X2 DEATH REGISTRATIONS								
Unadjusted	NUMBER	3,477	Jun	3,639	2,958	-4.5	17.5	3,475
Seasonally Adjusted		3,731		3,578	3,175	4.3	17.3	
X3 NATURAL NET GAIN POPULATION								
Unadjusted	NUMBER	2,775	Jun	3,096	3,057	-10.4	-9.2	2,666
Seasonally Adjusted		2,814		2,812	3,099	0.1	-9.2	
X4 MARRIAGE REGISTRATIONS								
Unadjusted	NUMBER	5,325	Jun	3,481	4,763	53.0	11.8	3,360
Seasonally Adjusted		3,921		2,842	3,506	38.0	11.8	
X5 CONSUMER PRICE INDEX (MILW.)				(Mar)				
Unadjusted	INDEX	332.0	May	329.1	330.9	0.9	3.8	330.5
X6 PRICES RECEIVED BY FARMERS								
Unadjusted	INDEX	126	Jun	126	130	0.0	-3.1	133
Seasonally Adjusted		127		127	131	0.0	-3.1	
X7 NET GAIN IN RESIDENTIAL PHONES ACCESS LINES								
Unadjusted	NUMBER	-3,008	Jun	-1,116	561	-169.5	-636.2	1,615
Seasonally Adjusted		848		1,222	1,870	-30.6	-54.7	
X8 LABOR DISPUTES, NO. OF WORKERS								
Unadjusted	NUMBER	1,875	Jun	305	0	514.8	-	450
Seasonally Adjusted		2,404		405	0	493.6	-	
X9 UNEMPL. COMPENSATION EXHAUSTEES	NUMBER							
Unadjusted		28,999	Jun	29,647	28,811	-2.2	0.7	26,616
Seasonally Adjusted		25,962		25,624	25,795	1.3	0.6	

Section

B

LABOR FORCE ESTIMATES

WISCONSIN LABOR FORCE ESTIMATES JUNE	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Unadjusted					
CIVILIAN LABOR FORCE	2418.3	2371.8	2393.0	2.0	1.1
Employment (Inc. Labor Disputes)	2259.1	2217.2	2234.9	1.9	1.1
Unemployment	159.2	154.6	158.2	3.0	0.6
Unemployment Rate	6.6	6.5	6.6	-	-
Seasonally Adjusted					
CIVILIAN LABOR FORCE	2380.5	2359.8	2355.4	0.9	1.1
Employment (Inc. Labor Disputes)	2214.8	2199.6	2190.8	0.7	1.1
Unemployment	165.7	160.2	164.6	3.4	0.7
Unemployment Rate	7.0	6.8	7.0	-	-

WISCONSIN EMPLOYMENT ESTIMATES JUNE	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
TOTAL NONFARM WAGE AND SALARY WORKERS	2046.4	2019.2	2005.1	1.3	2.1
Unadjusted					
Manufacturing	524.3	512.9	522.9	2.2	0.3
Mining	2.9	2.8	2.6	3.6	11.5
Contract Construction	69.3	67.3	67.5	3.0	2.7
Transportation and Public Utilities	95.0	96.3	95.0	1.3	0.0
Elec., Gas and Sanitary Services	17.8	17.4	17.8	2.3	0.0
Wholesale Trade	99.4	98.2	99.1	1.2	0.3
Retail Trade	378.7	371.9	369.7	1.8	2.4
General Merchandise	46.3	46.5	47.1	-0.4	-1.7
Finance, Insurance and Real Estate	109.0	107.3	105.3	1.6	3.5
Banking	28.9	28.6	28.3	1.0	2.1
Insurance	36.1	35.4	34.8	2.0	3.7
Service and Miscellaneous	432.9	426.6	420.1	1.5	3.0
Hospitals	66.7	65.9	67.2	1.2	-0.7
Private Education	22.3	23.4	21.8	-4.7	2.3
Government	335.0	335.9	322.9	-0.3	3.7
State Government	84.6	86.4	79.1	-2.1	7.0
Local Government	221.7	221.2	215.8	0.2	2.7

UNITED STATES LABOR FORCE ESTIMATES JUNE	(In Thousands)			Pct. Chg.	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
Seasonally Adjusted					
CIVILIAN LABOR FORCE	118,116	117,664	115,024	0.4	2.7
Employment	109,673	109,110	106,601	0.5	2.9
Unemployment	8,443	8,554	8,423	-1.3	0.2
Unemployment Rate	7.1	7.3	7.3	-	-

MANUFACTURING EMPLOYMENT *(Unadjusted)* JUNE	(In Thousands) Latest Month	Month Ago	Year Ago
All Manufacturing (Including Canning)	524.3	512.9	522.9
All Manufacturing (Excluding Canning)	512.1	504.8	509.2
Durable Goods	318.3	315.7	319.1
Lumber and Wood Prod., (Except Furniture)	24.3	23.5	23.3
Sawmills and Planning Mills	3.4	3.3	3.3
Millwork, Veneer, Plywood & Prefab. Wood Prod.	11.8	11.2	11.2
Furniture and Fixtures	10.0	9.9	9.7
Household Furniture	4.4	4.5	4.1
Stone, Clay and Glass Products	8.4	8.3	8.5
Concrete, Gypsum and Plaster Products	4.3	4.3	4.3
Primary Metal Industries	19.2	18.9	19.7
Iron and Steel Foundries	10.2	10.0	10.5
Fabricated Metal Products	52.3	51.9	51.6
Heating Equipment (Except Electrical) & Plumbing Fixtures	6.1	5.9	6.1
Fabricated Structural Metal Products	12.4	12.5	12.7
Metal Stampings	10.6	10.6	11.0
Machinery (Except Electrical)	100.2	100.2	100.1
Engines and Turbines	18.0	18.2	18.7
Farm Machinery and Equipment	12.4	12.5	11.9
Const., Min. & Material Handling Mach. & Equip.	11.4	11.2	11.3
Metalworking Machinery and Equipment	11.3	11.2	11.4
Special Industry Machinery (Except Metalworking)	12.5	12.6	12.7
General Industrial Machinery and Equipment	13.7	13.7	13.8
Service Industry Machines	7.0	7.0	7.5
Electrical Machinery, Equipment and Supplies	49.3	48.9	50.3
Electrical Industrial Apparatus	17.2	17.1	17.4
Household Appliances	6.1	6.2	6.8
Transportation Equipment	32.8	32.4	34.1
Motor Vehicles and Equipment	24.9	24.6	27.6
Instruments and Related Products	11.6	11.5	11.4
Miscellaneous Manufacturing	10.2	10.1	10.4
Nondurable Goods	206.0	197.3	203.8
Food and Kindred Products	63.2	57.6	64.0
Meat Products	14.6	14.2	14.2
Dairy Products	17.7	17.1	17.3
Canning and Preserving	12.2	8.1	13.7
Bakery Products	4.3	4.2	4.2
Beverage Industries	7.8	7.6	8.3
Textile Mill Products	4.2	4.1	4.4
Knitting Mills	3.4	3.3	3.6
Apparel and Other Finished Products	6.8	6.6	6.3
Paper and Allied Products	50.7	48.6	49.5
Pulp and Paper Mills	31.3	29.6	30.8
Converted Paper and Paperboard Products	11.2	10.9	10.5
Paperboard Containers and Boxes	6.8	6.6	6.8
Printing, Publishing and Allied Industries	39.3	38.9	38.8
Newspapers	12.3	12.2	11.9
Commercial Printing	17.3	17.0	17.2
Chemicals and Allied Products	10.1	9.8	10.2
Rubber and Misc. Plastics Products	24.7	24.5	22.7
Miscellaneous Plastics Products	20.3	20.1	18.2
Leather and Leather Products	6.9	6.9	7.5
Leather Tanning and Finishing	1.7	1.7	2.1
Footwear (Except Rubber)	3.5	3.5	3.8
Other Nondurable Goods	–	–	–

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* JUNE	Average Weekly Earnings			Average Weekly Hours		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	$426	$429	$423	41.2	41.2	41.3
All Manufacturing (Excl. Canning)	431	431	429	41.4	41.2	41.5
Durable Goods	434	435	440	41.3	41.2	41.7
Lumber/Wood Prod. (Exc. Furn.)	371	375	322	42.3	42.1	42.5
Furniture and Fixtures	314	322	301	40.4	41.3	40.5
Stone, Clay and Glass Products	399	397	401	40.5	39.2	42.6
Primary Metal Industries	418	418	409	42.0	42.2	41.3
Iron and Steel Foundries	420	422	408	42.3	42.8	40.7
Fabricated Metal Products	423	412	410	40.8	40.1	40.5
Fab. Structural Metal Prod.	428	426	442	41.8	41.4	43.0
Metal Stampings	437	429	396	39.8	39.3	39.4
Machinery (Except Electrical)	480	478	489	42.0	41.7	42.3
Engines and Turbines	516	516	496	40.9	40.5	40.1
Farm Machinery and Equip.	532	526	552	42.1	41.6	42.1
Const. and Related Mach.	459	456	484	41.8	41.9	41.2
Metalworking Mach. and Equip.	529	515	511	43.9	42.9	42.5
Spec. Ind. Mach. (Exc. Metal).	497	494	486	42.1	42.5	42.3
Gen. Industrial Mach. and Equip.	507	507	494	43.0	42.7	41.2
Electrical Mach., Equip. and Supp.	407	407	404	40.9	40.7	40.5
Electrical Industrial Apparatus	421	417	416	39.9	39.3	40.1
Transportation Equipment	537	547	615	40.7	41.0	43.8
Instruments and Related Prod.	368	371	360	40.8	41.0	40.0
Nondurable Goods	412	420	399	41.0	41.2	40.8
Food and Kindred Products	369	394	362	39.0	40.4	39.1
Meat Products	353	349	338	40.0	39.5	38.6
Dairy Products	400	399	398	40.8	40.4	41.9
Textile Mill Products	316	322	291	41.6	41.4	40.8
Apparel and Other Fin. Prod.	246	241	249	40.8	39.2	40.7
Paper and Allied Products	551	543	536	45.8	44.8	46.0
Pulp and Paper Mills	602	595	574	47.2	46.0	46.5
Printing, Pub. and Allied Prod.	425	438	403	39.0	39.3	37.7
Chemicals and Allied Products	450	474	444	39.5	41.4	41.5
Rubber and Misc. Plastics Prod.	331	326	322	40.2	39.9	39.1
Leather and Leather Products.	265	253	258	39.1	37.9	39.4

WISCONSIN DEPARTMENT OF INDUSTRY, LABOR AND HUMAN RELATIONS
in cooperation with BUREAU OF LABOR STATISTICS, U.S. DEPARTMENT OF LABOR

Section

C WISCONSIN EARNINGS AND HOURS DATA

EARNINGS AND HOURS *(Unadjusted)* JUNE	Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.		
	Latest Month	Mo. Ago	Yr. Ago	Latest Month	Mo. Ago	Yr. Ago
All Manufacturing (Incl. Canning)	10.34	10.42	10.25	9.94	10.00	9.88
All Manufacturing (Excl. Canning)	10.41	10.46	10.33	10.01	10.04	9.96
Durable Goods	10.52	10.57	10.55	10.18	10.21	10.22
Lumber/Wood Prod. (Exc. Furn.)	8.77	8.91	7.58	8.36	8.48	7.47
Furniture and Fixtures	7.77	7.80	7.43	7.58	7.54	7.31
Stone, Clay and Glass Products	9.85	10.13	9.42	9.63	9.85	9.20
Primary Metal Industries	9.96	9.91	9.91	9.58	9.51	9.57
Iron and Steel Foundries	9.93	9.87	10.03	9.62	9.55	9.74
Fabricated Metal Products	10.37	10.28	10.12	9.99	9.94	9.78
Fab. Structural Metal Prod.	10.24	10.29	10.27	9.91	9.96	9.82
Metal Stampings	10.99	10.91	10.05	10.66	10.60	9.87
Machinery (Except Electrical)	11.43	11.47	11.55	11.04	11.05	11.23
Engines and Turbines	12.61	12.74	12.37	12.20	12.15	12.06
Farm Machinery and Equip.	12.64	12.64	13.10	12.27	12.27	12.76
Const. and Related Mach.	10.98	10.88	11.75	10.65	10.63	11.51
Metalworking Mach. and Equip.	12.06	12.00	12.02	11.57	11.55	11.55
Spec. Ind. Mach. (Exc. Metal).	11.80	11.63	11.50	11.25	11.17	10.98
Gen. Industrial Mach. and Equip.	11.80	11.87	12.00	11.18	11.26	11.68
Electrical Mach., Equip. and Supp.	9.95	10.01	9.98	9.69	9.72	9.68
Electrical Industrial Apparatus	10.55	10.60	10.38	10.31	10.39	10.04
Transportation Equipment	13.20	13.33	14.05	12.77	12.92	13.43
Instruments and Related Prod.	9.03	9.04	9.00	8.85	8.82	8.87
Nondurable Goods	10.05	10.19	9.77	9.55	9.66	9.31
Food and Kindred Products	9.46	9.76	9.25	8.96	9.25	8.77
Meat Products	8.82	8.84	8.75	8.51	8.53	8.45
Dairy Products	9.80	9.88	9.51	9.34	9.42	9.06
Textile Mill Products	7.59	7.77	7.14	7.39	7.53	6.88
Apparel and Other Fin. Prod.	6.03	6.16	6.12	5.87	6.04	5.89
Paper and Allied Products	12.03	12.11	11.65	11.50	11.53	11.09
Pulp and Paper Mills	12.76	12.93	12.35	12.25	12.33	11.78
Printing, Pub. and Allied Prod.	10.91	11.15	10.68	–	–	–
Chemicals and Allied Products	11.38	11.45	10.69	11.06	11.09	10.42
Rubber and Misc. Plastics Prod.	8.23	8.17	8.23	7.93	7.88	7.96
Leather and Leather Products.	6.77	6.68	6.54	6.46	6.44	6.38

Section

C SUMMARY OF RECENT WISCONSIN DATA

EARNINGS AND HOURS, MFG. Production Workers (Unadjusted) JUNE	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings Including O.T.			Average Hourly Earnings Excluding O.T.	
	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago	Year Ago	Latest Month	Month Ago
United States	$396	$394	$387	40.8	40.6	40.7	9.70	9.71	9.52	-	-
Wisconsin	426	429	423	41.2	41.2	41.3	10.34	10.42	10.25	9.94	10.00
Selected Areas											
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	438	436	429	43.0	42.3	42.9	10.19	10.31	9.99	9.76	9.78
Beloit (City)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Eau Claire (Eau Claire-Chippewa)	417	421	420	40.5	40.5	40.2	10.30	10.39	10.46	10.00	10.14
Fond du Lac (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Green Bay (Brown County)	468	467	459	41.8	41.5	41.8	11.19	11.25	10.99	10.58	10.65
Janesville (City)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Janesville-Beloit (Rock County)	450	457	480	38.3	38.6	40.1	11.74	11.83	11.97	11.61	11.68
Kenosha (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
La Crosse (County)	369	367	355	39.0	38.7	37.5	9.46	9.49	9.47	9.13	9.15
Madison (Dane County)	389	424	385	39.9	41.9	40.4	9.74	10.13	9.52	9.35	9.55
Manitowoc (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	473	474	475	41.0	41.0	41.1	11.53	11.56	11.55	11.02	11.03
Racine (County)	446	441	421	41.1	40.2	39.8	10.86	10.98	10.59	10.50	10.63
Sheboygan (County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA
Wausau (Marathon County)	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA	INA

INA-Information Not Available due to budget reductions.

EMPLOYMENT, MFG. (Unadjusted) JUNE	(In Thousands)			Percent Change	
	Latest Month	Month Ago	Year Ago	Month Ago	Year Ago
United States	19,269.0	19,173.0	19,420.0	0.5	-0.8
Wisconsin	524.3	512.9	522.9	2.2	0.3
Selected Areas					
Appleton-Oshkosh (Calumet-Winnebago-Outagamie)	50.8	49.8	49.7	2.0	2.2
Beloit (City)	5.0	5.0	5.8	0.0	-13.8
Eau Claire (Eau Claire-Chippewa)	10.0	9.7	9.5	3.1	5 3
Fond du Lac (County)	10.1	9.7	11.0	4.1	-8.2
Green Bay (Brown County)	24.6	23.6	24.0	4.2	2.5
Janesville (City)	10.8	10.8	11.0	0.0	-1.8
Janesville-Beloit (Rock County)	17.9	17.8	18.6	0.6	-3.8
Kenosha (County)	11.2	11.0	14.2	1.8	-21.1
La Crosse (County)	10.6	10.7	10.4	-0.9	1.9
Madison (Dane County)	21.5	20.6	21.6	4.4	-0.5
Manitowoc (County)	12.1	12.1	11.0	0.0	10.0
Milwaukee (Milwaukee-Ozaukee-Waukesha-Washington)	171.5	170.0	172.5	0.9	-0.6
Racine (County)	23.5	23.2	24.4	1.3	3.7
Sheboygan (County)	18.4	18.1	18.7	1.7	-1.6
Wausau (Marathon County)	11.4	11.0	11.3	3.6	0.9

WISCONSIN'S EMPLOYEE OWNERSHIP PROGRAM

by Stephen B. Blumenfeld

A leather factory worker in eastern Wisconsin and a forest-products factory worker in northern Wisconsin may soon own the factories in which they work...or at least a part of the factories. That might not seem unusual; there are plenty of owner-operated businesses throughout the state. What is new is that workers of the two factories obtained loans provided under the state's Employee Ownership Assistance Program to study the feasibility of a worker buyout and successful operation of the plants.

Across the nation, groups of workers and residents are organizing to purchase closing industrial plants in order to preserve jobs and keep the local economy from foundering. Is that wise when American manufacturing is struggling to compete with foreign producers who capitalize on cheaper labor? Possibly, yes. The company may, indeed, be inefficiently operated, and worker ownership can provide the innovation and impetus for success. Nevertheless, efforts such as these require a considerable financial investment, and often the funds necessary to purchase a closing plant are not available from conventional sources.

Chapter 29, Laws of 1985, provides the Wisconsin Department of Development with the authority and funding to establish the Employee Ownership Assistance Program. The program's intended purpose is to provide assistance to employees considering the buyout of a firm facing closure.

Funds are made available to employee groups to conduct employee-buyout-feasibility studies. Professional services needed to implement such studies may also be paid for with these funds; however, the program does not disburse funds specifically to support employee buyouts. On the other hand, a straight-A report card on the feasibility study is a powerful argument for workers seeking financing from conventional sources.

Loan approvals under the DOD program are made by the Employee Ownership Board, which is comprised of five members, including the Secretary of the Department of Development, the Director of the University of Wisconsin-Extension Small Business Development Center, and the Executive Director of the Community Development Finance Authority. The last two board members, one of which must be a representative of organized labor, are appointed by the Governor.

Other sources of state funds available to Wisconsin employees attempting or considering a buyout of a closing plant include the State Community Development Finance Authority and the Wisconsin Housing and Economic Development Authority. Nevertheless, although this money may be provided to help develop employee-owned enterprises, no single state source of financial assistance exists which is specifically earmarked for use in financing a buyout.

Before an employee ownership assistance loan is approved, the board takes into consideration the following:

(a) the number of employees affected by the plant closing or layoff;

(b) the management capability of the employee group;

(c) the impact the plant closing or layoff will have on the local and state economies; and,

(d) the potential for a successful buyout by the employee group and

the assessed viability of the proposed employee-owned business.

While a match of at least 25% of the amount of the loan is normally required, the Employee Ownership Board may waive this match requirement if it determines that the employee group is facing an extreme financial hardship. Even so, the total amount of the loan cannot exceed $25,000.

Currently, in order to receive funding, applicants must be a group formed by or on behalf of the current or former employees of a business which has experienced substantial layoffs or a closing within the year prior to the date of the application.

The employee group must be formed for the purpose of determining the feasibility of operating the business under employee ownership. A general analysis outlining the need for a feasibility study or professional services must be included with the application submitted to the Department of Development. This analysis must include an estimate of the number of employees affected, an economic impact statement, and a preliminary assessment of the feasibility of a buyout by the employee group.

If the employee group does not purchase the business within one year following the completion of the feasibility study, the group must submit a report to the Department of Development concerning the feasibility of repaying the loan.

Should a business ultimately be purchased or improved by the employee group, the entire amount of the loan must be repaid with interest in a lump sum at the closing of the purchase or within one year after receiving the loan, whichever occurs later.

Determinations made through a feasibility study supported by a loan from the Employee Ownership Board are solely for use by the employee group receiving the loan; however, if the company is not purchased by the group, the results of the feasibility study must be given to the Employee Ownership Board, and these results then become a matter of public record.

Employee-owned firms have proven to function efficiently and profitably. In general, managers of employee-owned companies see the ownership plan as contributing to the productivity and profitability of the firm, and these managers are generally quite supportive of the ownership plan. In fact, the University of Michigan's Survey Research Center found that many employee-owned firms show a higher level of profit than do similar conventional firms in the same industries. Nevertheless, although employee ownership is most associated with the buyout of distressed firms, buyouts are by far the least common example of employee ownership.

The National Center for Employee Ownership estimates that, since 1971, sixty-five companies throughout the United States have been bought by their employees in an effort to prevent a planned shutdown of the facility. Of these, four were subsequently sold to private interests, two are currently involved in Chapter 11 bankruptcy proceedings, and five have discontinued operation. Nevertheless, roughly 50,000 jobs have been preserved nationwide through the successful purchase by employees of distressed companies. In addition, thousands more jobs in related industries have been saved as a result of these buyouts.

According to the Wisconsin Department of Development there were 39 plant

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Section

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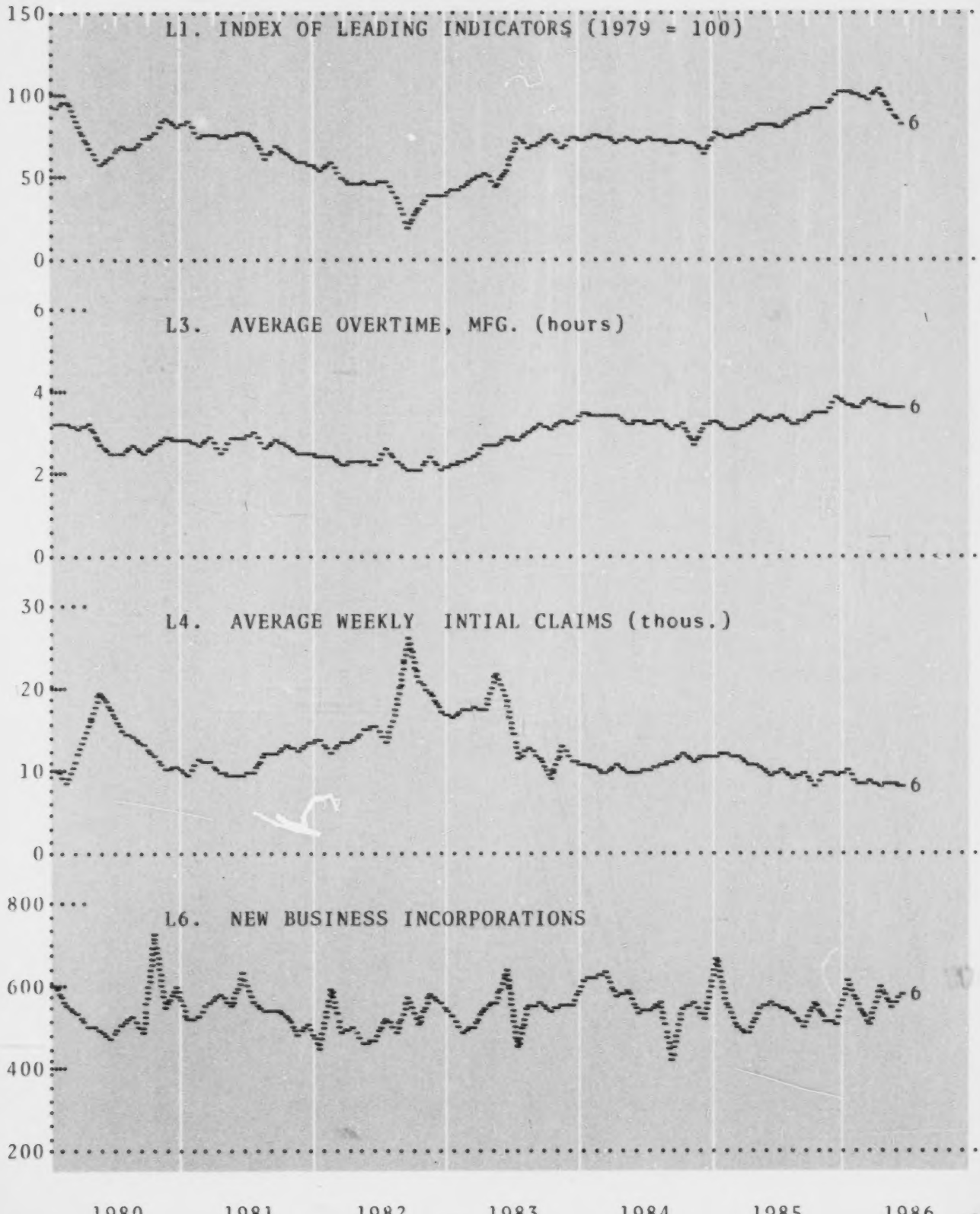

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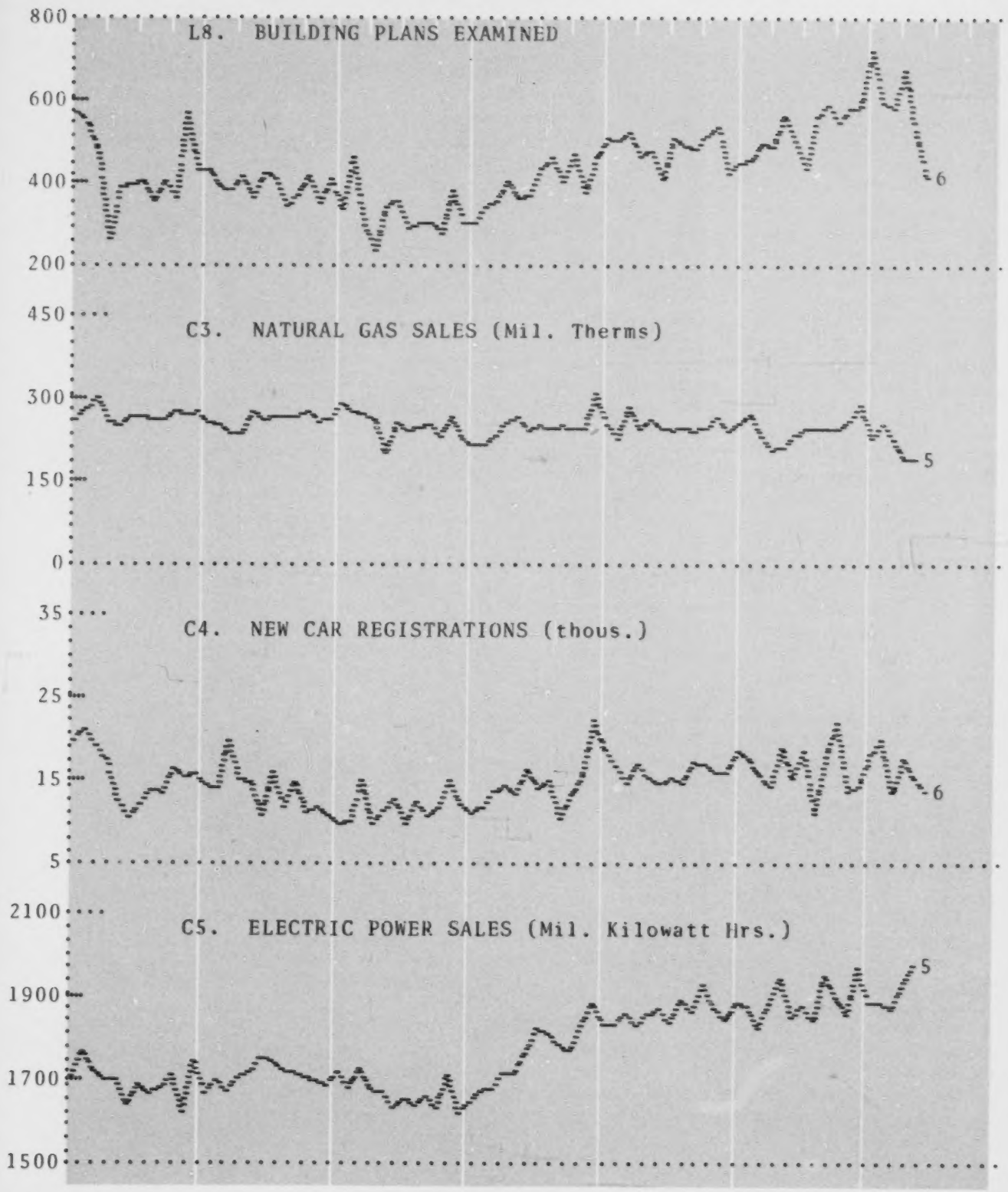

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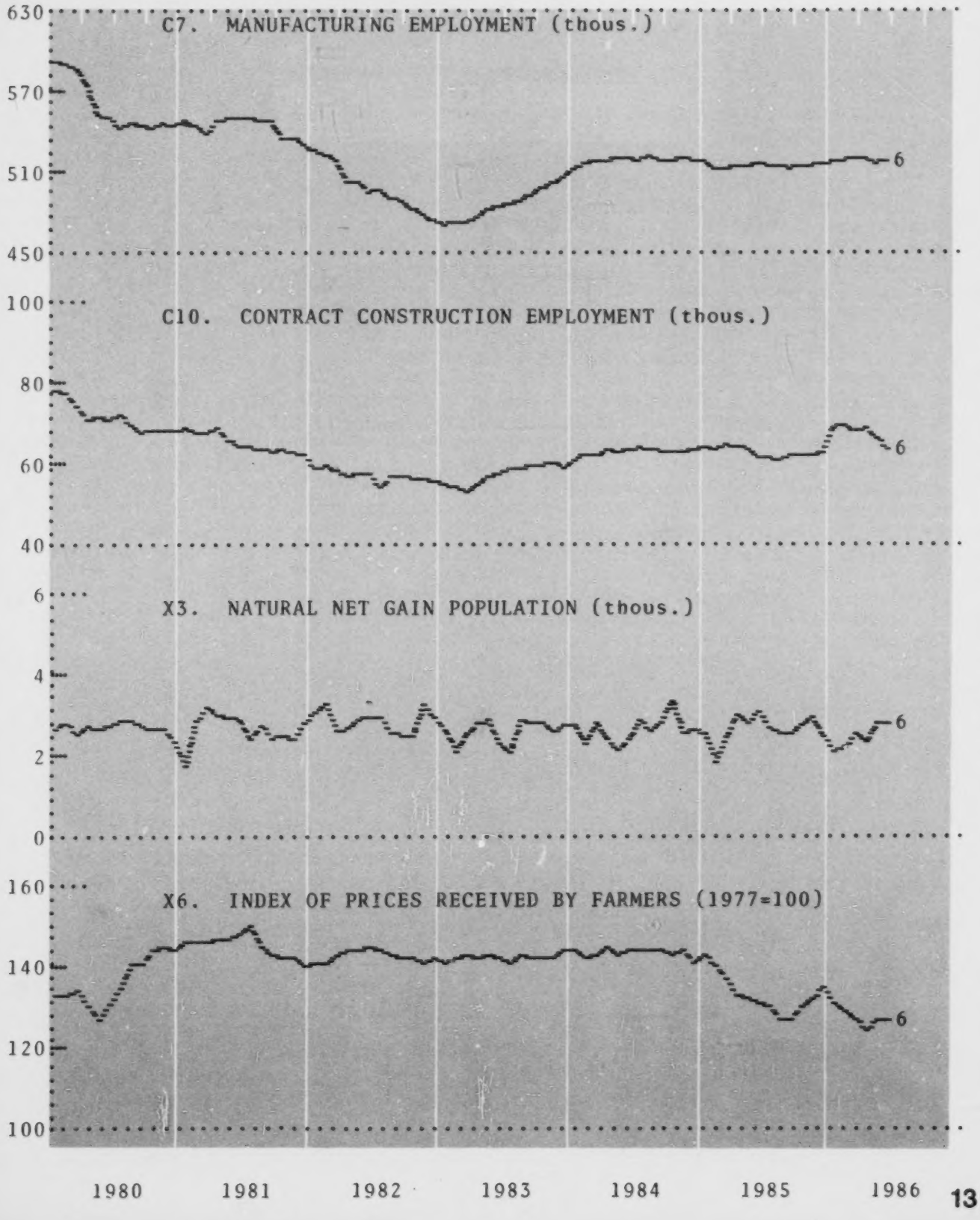

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(Continued from Page 10)

closing or transfers of operations in the State of Wisconsin in 1984. Twenty-nine of the closings resulted from large firms closing branch plants or divisions within their operations. The remaining ten were manufacturers who went out of business. An estimated 3,598 jobs were directly affected by these closings or transfers.

The closing of a plant can have a devastating effect upon workers and communities. The impact of plant closings is felt hardest in small towns and cities. In large metropolitan areas, the labor market is normally capable of effectively reallocating workers. However, the local labor market of small towns and cities is frequently unable to absorb displaced workers.

The econmic base of communities where a single plant employs a substantial proportion of the local work force is undermined by the loss of income due to a shutdown. Wisconsin's Employee Ownership Assistance Program can help provide workers and communities within the state with the means by which to prevent the closing of a potentially viable business.